

VZCZCXRO4146
RR RUEHBI RUEHCI RUEHCN RUEHFK RUEHGA RUEHGH RUEHKSO RUEHLH RUEHNAG
RUEHNH RUEHPT RUEHVC
DE RUEHNE #4815/01 3041231
ZNR UUUUU ZZH
R 311231Z OCT 07
FM AMEMBASSY NEW DELHI
TO RUEHC/SECSTATE WASHDC 9075
INFO RUEHCI/AMCONSUL KOLKATA 1130
RUEHCG/AMCONSUL CHENNAI 1810
RUEHBI/AMCONSUL MUMBAI 0896
RUEHKB/AMCONSUL KARACHI 8246
RUEHLH/AMCONSUL LAHORE 4189
RUEHCN/AMCONSUL CHENGDU 0275
RUEHGH/AMCONSUL SHANGHAI 0202
RUEHSH/AMCONSUL SHENYANG 0288
RUEHGZ/AMCONSUL GUANGZHOU 0533
RUEHFK/AMCONSUL FUKUOKA 0001
RUEHNAG/AMCONSUL NAGOYA 0001
RUEHOK/AMCONSUL OSAKA KOBE 0030
RUEHKSO/AMCONSUL SAPPORO 0001
RUEHNH/AMCONSUL NAHA 0001
RUEHDN/AMCONSUL SYDNEY 0045
RUEHBN/AMCONSUL MELBOURNE 0024
RUEHPT/AMCONSUL PERTH 0003
RUEHGA/AMCONSUL CALGARY 0020
RUEHVC/AMCONSUL VANCOUVER 0159
RUEHON/AMCONSUL TORONTO 0027
RUEHMT/AMCONSUL MONTREAL 0107
RHEBAAA/DEPT OF ENERGY WASHINGTON DC
RUCPDO/USDOC WASHDC
RUEHC/DEPT OF INTERIOR WASHDC
RUEHPH/CDC ATLANTA
RUEAUSA/DEPT OF HHS WASHDC
RUCPDC/NOAA WASHDC//NMFS//
RUEHRC/USDA FAS WASHDC
RUEAEPA/EPA WASHDC

UNCLAS SECTION 01 OF 06 NEW DELHI 004815

SIPDIS

SENSITIVE
SIPDIS

STATE FOR OES/PCI, OES/EGC, AND SCA/INS
STATE FOR STAS
DEPT PLEASE PASS TO THE ENVIRONMENT SCIENCE AND TECHNOLOGY COLLECTIVE

DOE FOR INTERNATIONAL
INTERIOR FOR FWS RILEY
STATE PASS TO NSF FOR INTERNATIONAL PROGRAMS

E.O. 12958: N/A
TAGS: [SENV](#) [ECON](#) [KGHG](#) [KSCA](#) [IN](#)

SUBJECT: ASIA-PACIFIC PARTNERSHIP ON CLEAN DEVELOPMENT AND CLIMATE
MINISTERIAL MEETING SHOWCASES PROGRESS, PROJECTS, AND CANADIAN
MEMBERSHIP

Summary

1. (SBU) Founding Asia-Pacific Partnership on Clean Development and Climate (APP) Partners Australia, China, India, Japan, Korea, and the United States officially welcomed Canada as the seventh member of the Partnership at a productive Ministerial Meeting hosted by the Government of India in New Delhi on October 15, 2007. Partners released a Communiqué welcoming Canada, showcasing flagship projects and a new virtual Energy Technology Cooperation Center, and highlighted progress made since the last Ministerial meeting in January 2006. Supportive public and private comments by attending officials, funding announcements like a USG FY07 \$45 million commitment and an Australian Government commitment of an additional 50 million AUD (bringing its total contribution to 150 million AUD), and robust government and industry participation in the second APP Ministerial meeting underscore what Minister of External Affairs

Shri Pranab Mukherjee called the "credibility" and "importance of [the Asia-Pacific Partnership] in addressing the crucial issue of clean development and climate for all [Partner] countries."

Ministerial Meeting Deliverables

¶2. (U) Communiqué Adopted: The New Delhi Communiqué is available at www.asiapacificpartnership.org/DelhiCommuniqué.pdf. The Communiqué highlights the considerable progress made since the inaugural Sydney Ministerial, welcomes the addition of Canada as a seventh partner, notes creation of eight Action Plans and endorsement of more than 100 collaborative projects, highlights the importance of strong collaboration with and support from the private sector, and announces the launch of the implementation phase of the "Asia-Pacific Energy Technology Co-operation Centre."

¶3. (U) Flagship Projects: Eighteen flagship projects spanning the work of the eight Task Forces - Aluminum, Buildings and Appliances, Cement, Cleaner Fossil Energy, Coal Mining, Power Generation and Transmission, Renewable Energy and Distributed Generation, and Steel - were announced, exemplifying the different types of cooperative actions being undertaken by Partners. Full details about the flagship projects can be found by visiting [www.asiapacificpartnership.org/2ndMinisterial / Flagship%20brochure%20FINAL.pdf](http://www.asiapacificpartnership.org/2ndMinisterial/Flagship%20brochure%20FINAL.pdf)

Grants Awards Launch Event

¶4. (U) SciOffs attended and helped organize an October 12, 2007 launch event for State Department-funded grant awards in support of APP projects in India. The DCM opened this event, announcing that twelve grants totaling 6.5M USD will be awarded to Indian

NEW DELHI 00004815 002 OF 006

organizations working together with U.S. partners to complete key projects in India and that an additional 4.15M USD has been awarded to USAID's New Delhi mission to further support the work of the Partnership. Prospective grantees presented project summaries, interacted with key DOS program management contacts, and expressed interest in using synergies among their individual projects to multiply overall project results.

Bilateral Conversations

¶5. (SBU) Chairman Connaughton had bilateral meetings with Japanese Senior Vice-Minister Masashi Nakano and Japanese Ambassador for Global Environmental Affairs Kyoji Komachi. Senior Vice-Minister Nakano and Ambassador Komachi both highlighted the momentum the APP has gained since the Sydney Ministerial and expressed a strong desire to keep the momentum going by holding regular ministerial meetings. Nakano noted the success of the sector-based approach in sharing best practices in the Coal Mining and Steel Task Forces and hoped the United States could take the lead in accomplishing the same thing in the Power Generation and Transmission Task Force. Nakano also expressed his belief that achievements made in the APP will have a large impact on both the post-Kyoto negotiations and the Major Economies Meeting (MEM) process. He concluded by stressing that the upcoming Bali Conference of Parties would be very important in discussing the future framework of the UNFCCC and that he desired Japan and the United States to take the lead in Bali.

¶6. (SBU) Chairman Connaughton responded that the next six months were very important and that for the United States to participate effectively in the UN setting all countries need to share responsibility - including developing countries such as India and China. He noted the European approach under the Kyoto Protocol was unworkable and that the likely outcome would be to force the United States to impose new tariffs as opposed to transferring money to developing countries. Chairman Connaughton stated that the Bali conference should be focused on scheduling and not on substance in order to allow the MEM process time to work noting the MEM was essential to rapid UN agreement on a post-Kyoto framework.

Evening with Industry Event

17. (SBU) An "Interactive Industry Evening on Technology and Finance for Clean Development" event, co-sponsored by two Indian industry associations and MoEF, was held following the Ministerial and attended by APP delegates and industry representatives from India. Presentations from GOI officials emphasized the need for a climate strategy addressing both mitigation and adaptation. Former MoEF Secretary Dr. Prodipto Ghosh, now an advisor to the Prime Minister's

SIPDIS

Council on Climate Change, praised the Partnership's cooperative approach while expressing interest in initiating a new round of

NEW DELHI 00004815 003 OF 006

projects and creating task forces to address agricultural, forestry and water issues. Executive Director of the International Energy Agency, Nobuo Tanaka, commented upon the need for increased information and data sharing within the Aluminum, Cement, and Steel Task Forces. CEQ Chairman Jim Connaughton recognized the importance of industry in responding to climate change and emphasized the government's ability to "help leverage investment."

Partner Country Perspectives

18. (U) India: Minister of External Affairs Shri Pranab Mukherjee opened the Ministerial meeting with an inaugural address officially welcoming Canada and emphasizing that strong meeting attendance and Canada's interest in joining the APP "underscores the credibility" and importance of the Partnership. GOI noted that India's national development goals call for sustained economic growth of 8-10 percent, increased per capita energy consumption, and expanded access for nearly half of India's population currently living without electricity. In order to accomplish these goals in a sustainable manner, national strategy policies focus on promoting energy efficiency and conservation, using market mechanisms and deploying advanced clean energy technologies. In addition to recognizing the importance of technological and financial resources, GOI suggested pursuing collaborations between developing and developed country research and development institutions to address the lack of research and development efforts focused on the "requirements and resource endowments of developing countries." Intellectual property rights issues were also raised, with GOI expressing interest in creating a "fairer" balance between compensation for innovators and the greater good of society. GOI reaffirmed their commitment to the APP and to combating climate change; recognizing the consistency of APP efforts with the principles of the UN Framework Convention on Climate Change. Minister of State for Environment and Forests Shri Namo Meena chaired the meeting.

19. (U) Australia: Government of Australia (GOA) announced a further funding commitment of 50 million AUD in support of the Asia-Pacific Partnership, raising Australia's total contribution to 150 million AUD and enabling expanded participation beyond its current involvement in 63 projects across the eight Task Forces. Department of Foreign Affairs and Trade Ambassador for Environment Jan Adams thanked the GOI for hosting the meeting, welcomed Canada into the APP, and observed that their endorsement of the partnership reaffirmed the strength of this approach, stating that APP involves a different type of cooperation focused on "real, practical, and commercially relevant" actions and on harnessing the potential of private sector. Adams explained that a call for elections precluded Foreign Minister Downer, Environment Minister Turnbull, and Industry

NEW DELHI 00004815 004 OF 006

Minister MacFarlane from attending the meeting and conveyed their regrets.

10. (SBU) China: National Development and Reform Commission Director-General Gao Guangsheng thanked the host country for sponsoring the meeting, discussed China's climate change strategy, and provided substantive recommendations for the direction of the Partnership. China indicated it utilizes a sustainable development framework to address climate change, noting that the APP fits this

model and is complementary to the UNFCCC and Kyoto Protocol. He highlighted that too date, China has hosted three Task Force meetings and participated in more than twenty APP projects and recognizes the need for continued "international cooperation on technology, research and development, transfer and dissemination of technology." China emphasized that technological advancement is at the core of a successful climate change solution, noting that "the price of technology transfer and dissemination" is equally as important as technology development, creation of a mechanism for tech transfer, and deployment of advanced clean technologies. Gao Guangsheng noted that APP projects focus on "soft activities," neglecting the potential for joint research and development projects between developed and developing countries and underscoring the need for developed countries to provide financial and technical support to assist developing countries and create a "favorable environment for private sectors." He added that the Partnership needed to address the "issue of establishing a financial mechanism" and to expand climate-friendly investment through policy and financing instruments. China also stated that financial and technical support must be provided from developed countries and international financing institutions to assist developing countries to "import and absorb advanced clean technologies and improve their capacities of mitigating and adapting to climate change." DG Gao reminded the group that Partner countries were welcomed to invest in China's priority areas of work under the APP, including advanced energy efficiency technologies, clean coal, renewable energy, methane recovery and utilization, and energy efficient buildings.

¶11. (U) Japan: Ministry of Economy, Trade and Industry's Vice Minister Masashi Nakano expressed gratitude to the host country and noted Japan's continued commitment to develop, deploy, and disseminate appropriate and advanced clean technologies. Japan indicated its private sector and environmental institutions remain actively involved in and supportive of the Partnership.

¶12. (U) Korea: Ministry of Commerce, Industry and Energy Vice Minister Jae Hoon Lee recognized the world's increasing attention to climate change and discussed Korea's recent APP and other climate initiatives. Lee announced the launch of the implementation phase of Korea's proposed "Asia-Pacific Energy Technology Cooperation Centre" (ETCC) to facilitate exchanges of energy-efficiency

NEW DELHI 00004815 005 OF 006

information and best practices between private and public sectors of the Partner countries. Details of the ETCC operations will be discussed at the next Policy and Implementation Committee (PIC) meeting. Korea stated that it remains actively engaged in the APP and noted that the Partnership has generated involvement in a significant number of projects and substantial participation from both their private and public sectors. Vice Minister Lee indicated that a key component of Korea's climate strategy is decreasing energy intensity by using existing fuels more efficiently in the short run and seeking alternative carbon-free energy sources in the long run. The Vice Minister highlighted the fact that voluntary and compulsory national policies include a recently announced goal of forty percent lower energy intensity by 2030, increased reliance on renewable energy in the energy supply mix, establishment of a certified carbon market, compulsory energy auditing for buildings, and raised Average Fuel Economy Standard.

¶13. (U) United States: Chairman of the Council on Environmental Quality (CEQ) Jim Connaughton led the US delegation and delivered remarks highlighting recent accomplishments of the Partnership. Mr. Connaughton announced an FY 07 allocation of 45M USD to support APP projects and activities, noting that these funds are expected to leverage 120M USD in additional clean energy financing. He noted that the Department of Commerce was looking forward to increased investment as an outcome of an upcoming clean energy trade mission to China and India later this year, building upon a successful reverse trade mission with India on renewable energy last year that yielded preliminary clean technology trade and investment commitments valued at an expected 12M USD. Connaughton cited identification of eighteen flagship projects as a testament to the Partnership's significant progress and focus on implementing concrete, practical actions. He also highlighted recent successes including the formation of a Health and Safety Steering Committee in

the Coal Mining Task Force and facilitation of technical exchanges between engineers in the Power Generation and Transmission Task Force. Mr. Connaughton welcomed Canada into the Partnership and thanked the host country, conveying the regrets of President Bush and SecState Rice.

¶14. (U) Canada: Deputy Minister of Environment Michael Horgan underscored the value of the APP's approach focusing on cooperation with the private sector, and expressed appreciation for Partner countries' support and welcomes of Canada as a seventh member. Canada indicated it looks forward to actively participating in the work of the Task Forces; capitalizing on the "considerable resources and expertise" it was to offer, building upon "positive and very productive conversations" already held with its private sector in five of the eight Task Forces areas, and presenting new projects supporting the goals of the Partnership. The Deputy Minister highlighted increasing energy efficiency and deploying clean energy

NEW DELHI 00004815 006 OF 006

technologies as high priorities for Canada, as are development of the related financing and investment schemes and regulatory and legal frameworks. Additionally, Mr. Horgan noted the government is investing 1.5 billion USD to increase the use of renewable energy and is particularly interested in carbon capture and storage technologies. Horgan also conveyed the regrets of Environment Minister Baird, who was unable to attend the meeting due to Parliamentary duties.

¶15. This cable has been cleared by James Connaughton.

MULFORD